

## 079 - INTERNAL AUDIT

### Operational Summary

#### Mission:

The mission of the Internal Audit Department (IAD) is to provide highly reliable, independent, objective evaluations and business and financial advisory services to the Board of Supervisors and County management to assist them with their important business and financial decisions, and to protect and safeguard the County's resources and assets.

#### At a Glance:

Total FY 2004-2005 Actual Expenditure + Encumbrance:	2,156,110
Total Final FY 2005-2006	2,481,091
Percent of County General Fund:	0.09%
Total Employees:	22.00

#### Strategic Goals:

- Assist the Board of Supervisors and County management in ensuring the County's assets and resources are safeguarded; the County's accounting and financial reporting is timely and accurate, the County's management has timely information and critical analysis for its business and economic decisions.
- Provide professional attestation, assurance and confidence to our clientele on the County's internal controls, accounting records and its financial and business operations through our published audit reports and reviews.

#### Key Outcome Indicators:

Performance Measure	2004 Business Plan Results	2005 Business Plan Target	How are we doing?
<b>DEFALCATIONS OF COUNTY RESOURCES.</b> <b>What:</b> Defalcation of County funds and cash losses in County departments or agencies. <b>Why:</b> Defalcation of funds bring on bad publicity and weaken public confidence in County operations.	The County should not have a defalcation or reported cash loss exceeding \$50,000.	The County will not have defalcation of funds or cash losses exceeding \$50,000.	The County did not have a defalcation of funds or cash losses exceeding \$50,000 last year.
<b>USEFULNESS OF OUR REPORTS AND CLIENT SATISFACTION.</b> <b>What:</b> Measures the value of our report product by the implementation of recommendations. <b>Why:</b> Provides clients with information on safeguarding County's assets and making business decisions.	With few exceptions, we expect management to implement IAD control recommendations. Overall IAD anticipates positive customer feed back.	Maintain Follow Up report status for Quarterly Audit Oversight Committee (AOC) meetings and maintain customer surveys and high-level satisfaction rating.	With few exceptions, our control recommendations were addressed by management and implemented.

#### FY 2004-05 Key Project Accomplishments:

- During 2004, Internal Audit completed all audit goals for our core audit activity in departmental control reviews, attestation services and mandates, information technology, control self-assessment, and compliance. We also performed two special requests in the following departments: Superior Court-Domestic Violence Revenues and County Executive Office's new Cell Phone Guidelines.

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### Summary of Final Budget by Revenue and Expense Category:

Revenues/Appropriations	FY 2003-2004 Actual Exp/Rev	FY 2004-2005		FY 2004-2005		FY 2005-2006		Change from FY 2004-2005	
		Budget As of 6/30/05		Actual Exp/Rev <sup>(1)</sup> As of 6/30/05		Final Budget		Actual Amount	Percent
Charges For Services	\$ 35,328	\$ 88,800		\$ 80,832		\$ 37,440		\$ (43,392)	-53.68%
Miscellaneous Revenues	247	0		446		0		(446)	-100.00
<b>Total Revenues</b>	<b>35,575</b>	<b>88,800</b>		<b>81,278</b>		<b>37,440</b>		<b>(43,838)</b>	<b>-53.93</b>
Salaries & Benefits	2,012,957	2,032,927		1,967,575		2,261,021		293,446	14.91
Services & Supplies	209,995	429,583		210,862		373,680		162,818	77.21
Intrafund Transfers	(141,815)	(100,470)		(100,470)		(153,610)		(53,140)	52.89
<b>Total Requirements</b>	<b>2,081,137</b>	<b>2,362,040</b>		<b>2,077,967</b>		<b>2,481,091</b>		<b>403,124</b>	<b>19.39</b>
<b>Net County Cost</b>	<b>\$ 2,045,562</b>	<b>\$ 2,273,240</b>		<b>\$ 1,996,689</b>		<b>\$ 2,443,651</b>		<b>\$ 446,962</b>	<b>22.38%</b>

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2004-05 Actual Expenditure + Encumbrance included in the "At a Glance" section.

### Final Budget Summary of Executive Management:

Revenues/Appropriations	FY 2003-2004 Actual Exp/Rev	FY 2004-2005		FY 2004-2005		FY 2005-2006		Change from FY 2004-2005	
		Budget As of 6/30/05		Actual Exp/Rev <sup>(1)</sup> As of 6/30/05		Final Budget		Actual Amount	Percent
Charges For Services	\$ 0	\$ 0		\$ 24,960		\$ 0		\$ (24,960)	-100.00%
Miscellaneous Revenues	146	0		237		0		(237)	-100.00
<b>Total Revenues</b>	<b>146</b>	<b>0</b>		<b>25,197</b>		<b>0</b>		<b>(25,197)</b>	<b>-100.00</b>
Salaries & Benefits	647,473	651,988		670,814		724,282		53,468	7.97
Services & Supplies	103,916	77,709		108,161		98,363		(9,798)	-9.05
<b>Total Requirements</b>	<b>751,389</b>	<b>729,697</b>		<b>778,975</b>		<b>822,645</b>		<b>43,670</b>	<b>5.60</b>
<b>Net County Cost</b>	<b>\$ 751,243</b>	<b>\$ 729,697</b>		<b>\$ 753,778</b>		<b>\$ 822,645</b>		<b>\$ 68,867</b>	<b>9.13%</b>

### Final Budget Summary of General Audits:

Revenues/Appropriations	FY 2003-2004 Actual Exp/Rev	FY 2004-2005		FY 2004-2005		FY 2005-2006		Change from FY 2004-2005	
		Budget As of 6/30/05		Actual Exp/Rev <sup>(1)</sup> As of 6/30/05		Final Budget		Actual Amount	Percent
Charges For Services	\$ 35,328	\$ 88,800		\$ 55,872		\$ 37,440		\$ (18,432)	-32.98%
Miscellaneous Revenues	100	0		209		0		(209)	-100.00
<b>Total Revenues</b>	<b>35,428</b>	<b>88,800</b>		<b>56,081</b>		<b>37,440</b>		<b>(18,641)</b>	<b>-33.23</b>
Salaries & Benefits	1,365,484	1,380,939		1,296,760		1,536,739		239,979	18.50

## Final Budget Summary of General Audits:

Revenues/Appropriations	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006	Change from FY 2004-2005	
	Actual Exp/Rev	Budget As of 6/30/05	Actual Exp/Rev <sup>(1)</sup> As of 6/30/05	Final Budget	Actual Amount	Percent
Services & Supplies	106,079	351,874	102,701	275,317	172,616	168.07
Intrafund Transfers	(141,815)	(100,470)	(100,470)	(153,610)	(53,140)	52.89
<b>Total Requirements</b>	1,329,748	1,632,343	1,298,991	1,658,446	359,455	27.67
<b>Net County Cost</b>	\$ 1,294,320	\$ 1,543,543	\$ 1,242,911	\$ 1,621,006	\$ 378,095	30.42%